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June 28, 2019

Industrial Commission of Arizona  
P.O. Box 19070  
800 West Washington Street  
Phoenix, AZ 85005-9070

Re: League of Arizona Cities and Towns Comments on Staff Proposal for 2019/2020 Arizona Physicians' and Pharmaceutical Fee Schedule – July 1, 2019 Public Hearing

Dear Members of the Industrial Commission of Arizona:

The League of Arizona Cities and Towns (League) has recently become aware of proposed changes to the Arizona Physicians' and Pharmaceutical Fee Schedule and we are pleased to provide written comments to the Industrial Commission of Arizona (Commission). The League represents 90 cities and towns across Arizona, some who are self-insured and others who obtain coverage through pooled plans. After reviewing the proposed rules and consulting with experts in this area the League would like to articulate we support the complete proposal from the Commission, particularly the guidelines related to reimbursement for medications dispensed by physicians.

One of the core principles of municipalities is that we must be careful stewards of taxpayer dollars. In recent years, we have become aware of the issue of physicians dispensing prescription drugs and the disproportionately higher costs paid by the insurance carrier for that same drug if it were provided by a traditional pharmacy. Our conclusion has been, absent the ability to direct care away from physician dispensers, municipalities and our insurance providers would encourage any regulatory framework that would mitigate high cost without sacrificing coverage for our employees.

In reviewing the Commission's proposal, the League feels confident the fee schedule is a balanced approach that takes into consideration the cost to providers and patient outcomes. The League appreciates the opportunity to comment on this proposal and would respectfully request the Commission adopt the proposal in its entirety.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Strobeck".

Ken Strobeck  
Executive Director